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March 24, 2005

TO: Each Supervisor

FROM: Thomas L. Garthwaite, MD  
Director and Chief Medical Officer

**SUBJECT: PEDIATRIC RESPIRATORY THERAPY SERVICES AT LAC+USC  
MEDICAL CENTER**

On February 15, during consideration of an agreement with Leucadia Symphony, Ltd., (Leucadia) for the provision of pediatric respiratory therapy services at LAC+USC Medical Center your Board instructed the Auditor-Controller to report back with its findings regarding the cost effectiveness of the proposed agreement and the Department of Health Services (DHS) to report back on the process to provide these services directly, rather than by contract.

The Auditor-Controller informed your Board on February 25, that it found the proposed agreement with Leucadia to be cost effective. According to the Auditor-Controller's analysis, the County avoidable cost would be \$1.64 million and the cost to contract out these services to Leucadia would be \$1.6 million; a savings of \$40,000.

The Department has reviewed the Auditor-Controller's report and determined that based on the fact that this contract meets the Prop. A cost effectiveness standard, as well as several other factors described below, that it will file for your consideration on the April 5 Board agenda an agreement with Leucadia for the provision of pediatric respiratory therapy services for the period of May 1, 2005 through April 30, 2008, with provisions for two subsequent one-year renewals.

Pediatric respiratory therapy is an area in which the Department has had some difficulty in recruiting necessary qualified clinical personnel. LAC+USC Medical Center, Harbor-UCLA

Medical Center, King/Drew Medical Center, and Olive View-UCLA Medical Center all provide pediatric respiratory care services. The services are presently contracted to Leucadia at both LAC+USC and King/Drew Medical Centers. LAC+USC Medical Center has contracted for pediatric respiratory therapy services since 1993. The King/Drew Medical Center was effectuated in 2004. Harbor-UCLA and Olive View-UCLA Medical Centers presently provides this service directly, but rely on registry personnel to supplement the County-employed staff, due to the inability to recruit sufficient numbers of staff. At Harbor-UCLA Medical Center, 62 percent of the respiratory therapist vacancies are in the pediatric category.

The leadership at LAC+USC Medical Center has evaluated the staffing and breadth of qualifications of in-house and contract staff and has determined that the contract personnel have greater skills and capabilities and can provide a broader array of care than can directly-hired personnel.

The current County Respiratory Care Practitioner I and II (RCP) positions do not address the specialty training necessary for pediatric critical care. Therefore, the County pay scale does not recognize this specialized training in how it compensates these workers. As a result, the facilities have encountered significant difficulty in retaining employees who have obtained specialized training in pediatric critical care. By contrast, in the private sector, there is greater monetary recognition of increased skills levels and requirements for areas such as pediatric critical care.

Within the universe of respiratory therapists, some 80 percent specialize in general respiratory therapy and approximately 20 percent in critical care. Of the 20 percent of critical care respiratory therapists, only two percent specialize in pediatric/neonatal critical care.

Another issue that contributes to the difficulty the Department has in recruiting and retaining these individuals is the flexibility available in the private sector. Full-time County employees must work a 40 hour week in order to obtain benefits, whereas in the private sector respiratory therapists work three 12-hour shifts with benefits and time and a half for overtime.

The Department has been working with the Chief Administrative Office's (CAO) Compensation Unit to evaluate the comparability of required skills and compensation between the County and the private sector in this specialty. The CAO has indicated it will be conducting a compensation study into this matter. Once this review is complete, the Department will work with the CAO to make any necessary changes in compensation.

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Additionally, the Department will be recommending that the Department of Human Resources evaluate the classification distribution for this position to determine whether additional categories should be added to address more advanced training.

DHS also is evaluating ways in which to intensify its recruitment efforts in this area, particularly among potential and new RCP graduates, as well as in the recruitment of experienced senior personnel from the private sector.

If your Board were to instruct the Department to move to establish and hire the necessary personnel to perform these services, the current agreement would have to be extended for the period of time during which the compensation and classification revisions outlined above took place. Additionally, in the event the facility was unable to attract sufficient personnel to meet the clinical service needs, it would require supplemental contract or registry staff.

Given the factors identified above, and the steps necessary to bring these services back into the County, the Department recommends moving forward with the new agreement with Leucadia for the provision of pediatric respiratory therapy services at LAC+USC Medical Center and will be filing this item for your Board's consideration on the April 5 Board agenda.

Please let me know if you have any questions.

TLG:ak

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Auditor-Controller